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COMPANY ANNOUNCEMENT

11th August 2009

JB Hi-Fi reports Sales up 27%, Profit up 45% and Dividend up 69%

JB Hi-Fi Limited today reported a 45% increase in full year net profit to a record \$94.4 million (2008: \$65.1 million) from \$2.327 billion of sales (2008: \$1.829 billion) for the year ended 30 June 2009 a 27% increase. The result exceeded the company's recent profit guidance in June of circa \$92 million due to stronger than expected June trading.

Consolidated comparable store growth was 11.5%. Sales growth was solid in all product categories. The strong comparable store sales growth was driven by games, computers, DVD, telecommunications and visual, combined with the maturing of recently opened stores.

Gross margin was 21.6% (2008: 21.9%), a good result considering the very competitive environment and strong growth in the lower margin categories of games and computers. Cost of doing business was down at 14.5% (2008: 15.3%) contributing to an increase in EBIT margin to 6.1% (2008: 5.6%). Cash flow from operations increased substantially to \$145.6 million for the full year.

The company has raised its final dividend for the year declaring a fully franked dividend of 29 cents per share (final FY08: 16 cents) an increase of 13 cents or 81%. This brings the dividend for the year to 44 cents, a 69% increase on the last full financial year. The dividend is to be paid on 9 September 2009. The record date for determining the entitlement is 21 August 2009.

"Once again this is a very pleasing result during what is considered a sustained, generally weak retail climate" said CEO Richard Uechtritz. "Again it highlights the strength and resilience of the JB retail model during an uncertain retail environment. Home entertainment continues to become more of a staple category as consumers embrace technology."

JB continues to focus on keeping costs down and reducing prices to our customers. Our continued store rollout and the maturing of recently opened stores enables us to expand our offering, take advantage of increased economies of scale and improve our market share. We are currently expecting therefore to have continued good sales and earning growth in the coming year.

The group had 123 stores (109 Australia, 14 NZ) at year end, of which 106 are JB Hi-Fi branded stores. With a target of 210 JB Hi-Fi branded stores (160 full stores and 50 smaller format stores) the company can look forward to many years of good sales and earnings growth. The company expects to open circa 18 new stores in FY10.

Sales for July and August FY10 YTD have met internal expectations. Comparable store sales of 3.8% have been affected by very strong visual sales this time last year leading into the Beijing Olympics. Excluding the visual category, comparable store sales YTD are 8.6%. The company expects sales in FY10 to be circa \$2.8 billion, a 20% increase on the prior financial year.

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JB....you've done it again!